



FOR IMMEDIATE RELEASE

To: BUSINESS EDITOR

## HEMBLY SETS UP JOINT-VENTURE WITH NILORN

### NEW BRAND PACKAGING SERVICES FURTHER STRENGTHEN SUPPLY CHAIN MANAGEMENT

*(July 2, 2008, Hong Kong)* –**Hembly International Holdings Limited** and its subsidiaries (“Hembly”, the “Company” or the “Group”; SEHK Code: 3989) announced today that they signed a joint-venture (“JV”) agreement with a leading European fashion and textile industry components supplier, Nilorngruppen AB (“Nilorn”), to branding and design in the form of labels, packaging and accessories, principally for customers in the fashion industry. This joint-venture is the Group’s first step to move our raw-material sourcing services upstream and strengthens our ODM supply chain management. It also further powers our vertical integration business model.

Labeling and packaging are key presentation for brand image positioning of mid- to high-end brands. Previously, to protect the intellectual property rights, clients often designs and manufactures their labels, packaging and accessories in Europe. In light of shifting of European’s up-level apparel production and sourcing to China, Hembly and Nilorn identified synergies of setting up a joint-venture to offer complete, creative and tailor-made design, product development and logistic solutions for labels, packaging and accessories to existing and potential clients. With Nilorn’s strong track record and reputation in Europe serving prominent client including GANT, coupled with Hembly’s extensive sourcing network, the joint-venture provides an excellent business opportunity and expertise for Hembly to add value to its raw material sourcing and to provide clients one stop shop solution.

Following the agreement, a wholly owned foreign company, Nilorn Shenzhen JV will be set up in Shenzhen to provide support on design, product development, sales, purchase, stockholding and supply of labels, packaging and other accessories to clients within the fashion and textile industry. In the long run, it may also develop production and product development as well as service package from sales to branding and logistics system offers.

**Mr. Billy Ngok, Chairman of Hembly**, said, “We are excited to partner with a renowned labeling and design company like Nilorn. With complementary nature of their business activities, the agreement allows Hembly to further upstream expansion for its high quality ODM-based supply chain services tailored for high level brands, the JV can further help Hembly to reduce its production cost and to expand its market and clients portfolio with joint offers as a one stop shop from design and production of garments, to accessories packaging and design. The JV does not only provide mid- to high-end brand clients creative brand design, it also shortens lead time.”

**Mr. Stefan Tingstrom, CEO of the Nilorn Group,** said, “We are very pleased that we will now be able to present a local solution within China, from which we can offer customer service and a logistic centre with invoicing in local currency to customers in China. This will have a big impact on our possibilities to grow and also our lead time. Hembly, as an innovative and fast growing company with a presence in China for many years, is a perfect partner for Nilorn and through this partnership Nilorn will become a more complete supplier to the fashion and textile industry. The new JV in China together with the existing sales, services and logistic centres of both companies, will make Nilorn and Hembly even more attractive as partners to existing and potential customers. Meanwhile, in view of Hembly as Sergio Tacchini’s sole sourcing partner in Asia, we also look forward to taking part in the revamp of this long-established Italian sports brand through our labeling and packaging design services.”

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#### **ABOUT HEMBLY INTERNATIONAL HOLDINGS LIMITED (SEHK STOCK CODE: 3989)**

Established in year 2000 and listed on Hong Kong Stock Exchange in 2006, Hembly International Holdings Limited (“Hembly”) is a leader in the provision of apparel supply chain services. Our capability of supply chain solutions is highly recognized by multinational renowned clients.

To capture the business opportunity brought by the booming consumer market in China, Hembly has extended its capabilities to encompass the broader spectrum of services, including distribution and retailing of apparel and footwear in China. The Group has established joint-ventures with Stonefly, Lotto and Sisley to offer affordable luxury and sportswear in tier-1 and tier-2 cities in China. In addition, Hembly is also the exclusive distributor for various Moschino product lines within the PRC.

Headquartered in Hong Kong, Hembly has strong European sales and marketing arms in Italy, France, Sweden and Germany and operation arms in China, including Nanjing, Shenzhen, Shanghai and Beijing, and Macao.

For more information on Hembly, please visit its website at [www.hembly.com](http://www.hembly.com)

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#### **ABOUT NILÖRNGRUPPEN AB**

Nilörn is a global company, established in the 1970s, with expertise in how to add value to brands through branding and design in the form of labels, packaging and accessories, principally for customers in the fashion and ready-to-wear industry.

Nilörngruppen offers complete, creative and tailored concepts in branding, design, product development and logistic solutions. Satisfied customers are our principal asset, and it is therefore important to establish, maintain and enhance customer relations through first-class service. Nilörngruppen is one of the leading European players, with turnover of SEK 301m. The Group operates through its own companies in Sweden, Denmark, the United Kingdom, Germany, Belgium, Portugal, Hong Kong and Turkey. There are partner companies in Switzerland, China, India and Tunisia. For more information on Nilörn, please visit [www.nilorn.com](http://www.nilorn.com)

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